



2008 Annual Report





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1 Overview

Basic Health (BH) is a health care program administered by the Washington State Health Care Authority (HCA). This program helps eligible Washington State residents pay for health insurance through state subsidies.

Basic Health operates cooperatively with the Department of Social and Health Services (DSHS) to provide the Basic Health Plus and the Maternity Benefits programs.

To be eligible for Basic Health you must:

- ◆ Be a Washington State resident.
- ◆ Not be eligible for free or purchased Medicare.
- ◆ Not be institutionalized at the time of enrollment.
- ◆ Not be attending school full time in the United States on a student visa.
- ◆ Be within Basic Health's following income guidelines.

Number of People in your family	Gross monthly income July 1, 2008 — June 30, 2009
1	Up to \$1,733.41
2	Up to \$2,333.44
3	Up to \$2,933.47
4	Up to \$3,533.50
5	Up to \$4,133.53
6	Up to \$4,733.56
7	Up to \$5,333.59

Members pay a monthly premium based on:

- ◆ Age,
- ◆ Income,
- ◆ The number of people in the family,
- ◆ The health plan selected, and
- ◆ Where the applicant resides.

Basic Health *Plus*

This program is for children under 19 only. They must be a US citizen and determined eligible by DSHS based on Medicaid criteria.

Additional Services

Children receive the same benefits as Basic Health as well as:

- ◆ Vision and dental benefits,
- ◆ Non-emergency transportation to medical services,

- ◆ No waiting periods for preexisting conditions, and
- ◆ Have no deductible, coinsurance, monthly premium, or copayments.

Maternity Benefits Program

Basic Health members who are pregnant usually receive care through the Maternity Benefits Program. This program, jointly administered by Basic Health and DSHS, allows members to receive maternity benefits through the same health plan selected for Basic Health. If eligible for the Maternity Benefits Program, Basic Health will cover maternity services for only 30 days after the member's doctor verifies pregnancy. For eligible members, there is no cost during pregnancy and for two months following the end of pregnancy. To continue maternity coverage without interruption, Basic Health must receive the member's Maternity Benefits Application within 30 days of the date pregnancy is verified. If the member or applicant does not apply within that time, the member or applicant will have to pay the full cost of any maternity care received beyond 30 days after the pregnancy is verified.

Additional Services

The Maternity Benefits Program allows members to receive other services called First Steps, which includes maternity support such as:

- ◆ Childbirth education classes,
- ◆ Child care, and
- ◆ Transportation to medical appointments.

(A member) helps her mother-in-law with daily tasks and said, "she has always received the most gracious, helpful people whenever she calls a state agency but especially with Basic Health."

Federal Health Coverage Tax Credit (HCTC)

The Health Coverage Tax Credit (HCTC) is a federal tax credit that pays 65 percent of the health plan premium for eligible people enrolled in qualified health plans.

In Washington State, Basic Health is the only “qualified health plan” designated to offer HCTC coverage. The Internal Revenue Service (IRS) administers the HCTC program in partnership with other federal agencies, the states, and the private health care industry.

Foster Parent Program

Licensed foster parents who are eligible and within Basic Health’s income guidelines pay only \$17.00 per month, per licensed foster parent, and may enroll other family members in subsidized Basic Health. They may also apply for Basic Health *Plus* for their children who are under age 19. This program offers additional benefits for children, and is jointly administered by BH and DSHS.

Licensed foster parents whose income is up to 300% of the federal income guidelines may also be eligible for Basic Health. Premiums for those who are eligible would be no higher than \$100.00 per licensed foster parent per month.

2008 Operational Results – By the Numbers

- Covered an average of 104,365 members per month, in addition to:
 - BH Plus - average 19,840
 - Maternity Benefits Program - average 603
 - Home Care Workers - average 164
 - HCTC - average 79
- Answered over 256,000 calls of which 82% were answered in 1 minute
- Received and processed 238,000 documents or 1.8 million papers to determine or maintain eligibility

Health Plans available by county

The HCA contracts with five health plans to offer Basic Health and Basic Health *Plus*. Each health plan works with hospitals, clinics, pharmacies, physicians, and other providers to serve Basic Health and Basic Health *Plus* members.

At least one plan is available in each of the 39 counties. Plans include the following:

Health Plan	Phone Numbers	Website
Columbia United Providers, Inc.	1-800-315-7862 OR 360-891-1520 TDD: 1-866-287-9962	www.cuphealth.com
Community Health Plan of Washington	206-521-8830 OR 1-800-440-1561 TTY/TDD: 1-866-816-2479	www.chpw.org
Group Health Cooperative	1-888-901-4636 TTY: 1-800-833-6388	www.ghc.org
Kaiser Foundation Health Plan of the Northwest	1-800-831-2000 TTY: 1-800-324-8010	www.kaiserpermanente.org
Molina Healthcare of Washington	1-800-869-7165	www.molinahealthcare.com

Members urged to confirm health plan information prior to selection.

2008 Procurement

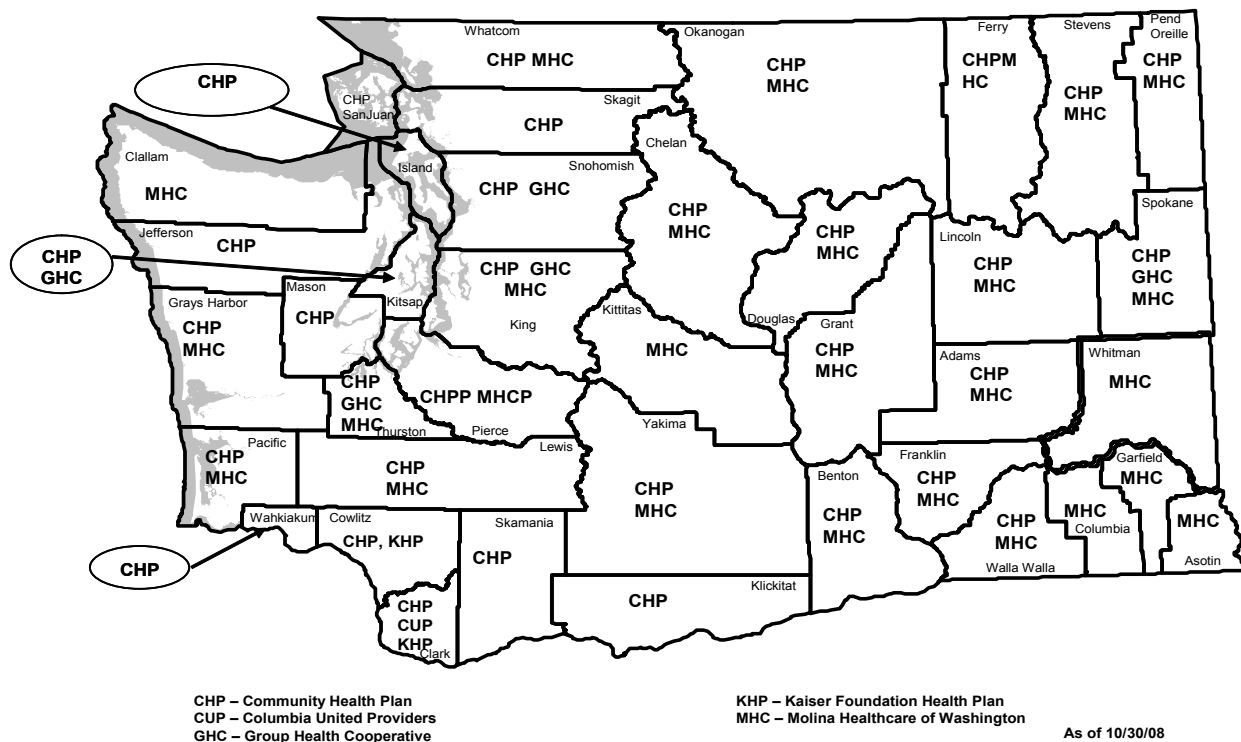
The goals established by the program included the following for the 2008 plan year:

- ◆ Provide statewide access to coverage for the program.
- ◆ Provide at least one benchmark (low-cost) health plan in each county.
- ◆ Improve access to affordable health plans wherever possible.
- ◆ Stay at or below fiscal limits set the by the 2007 Legislature.

The cost for a Basic Health member enrolled in premium bands D - E went up on average about 5%. The lowest cost premiums in bands A - C remain at \$17, \$22.50, and \$30, respectively. All of the contracted health plans in 2007 returned to serve BH membership.

Minimal changes were made to the program, including only one benefit change: Durable Medical Equipment (DME) no longer is available as a covered benefit except when a member is hospitalized and receiving care as an inpatient.

Basic Health Plus Service Areas 2009



Molina Healthcare of Washington also added an additional service area. Molina is another benchmark health plan choice in Thurston County. This results in additional access to more providers and provides a third option for members in this county.

2009 Procurement

In working with agency actuaries, Milliman, Basic Health negotiated a premium increase of about 2.4 percent across the five participating health plans and expanded access in Clark and Thurston counties. In large part, this occurred as a one-time correction using claims data through our new data warehouse.

By comparison, PEBB's premium increase for the 2009 plan year is almost 8 percent and national trends are in the neighborhood of 10 percent. All of the contracted health plans in 2008 returned to serve our membership for 2009. We negotiated minimal changes to the program, including one benefit change.

Waiting *Period Benefit Change*

The nine-month waiting period for routine diabetic care will be waived for a Basic Health member diagnosed as a diabetic, or who is identified as a borderline diabetic by their contracted provider. Benefits and services now covered include diabetes education services approved by the health plan, a yearly eye exam for diabetic retinopathy, and outpatient services related specifically to routine care.

Overall, the 2009 Basic Health procurement was successful in achieving both the goals of the agency as well as Governor Gregoire's vision of obtaining access to high quality, affordable health care for the residents of our state.

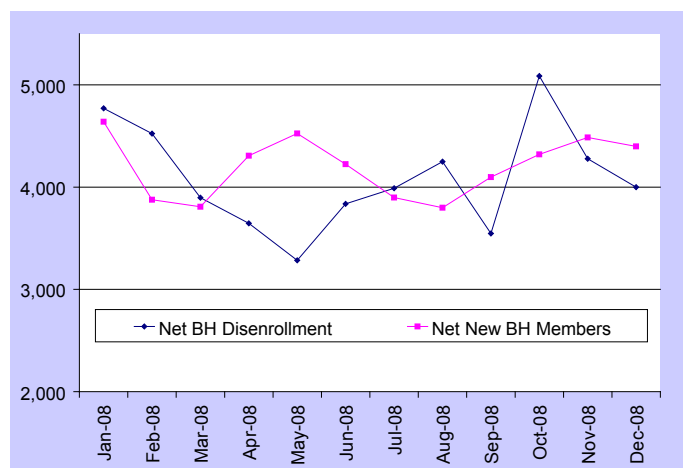
"Thank you very much for being there for my family for so many years. I don't know what would have happened to me financially without Basic Health when my husband died in 2000 after three weeks in Harborview. Thank you for coverage during two brief hospitalizations that I had, and for the dental and other care that my daughter received."
~ Basic Health member

3 Demand for Basic Health

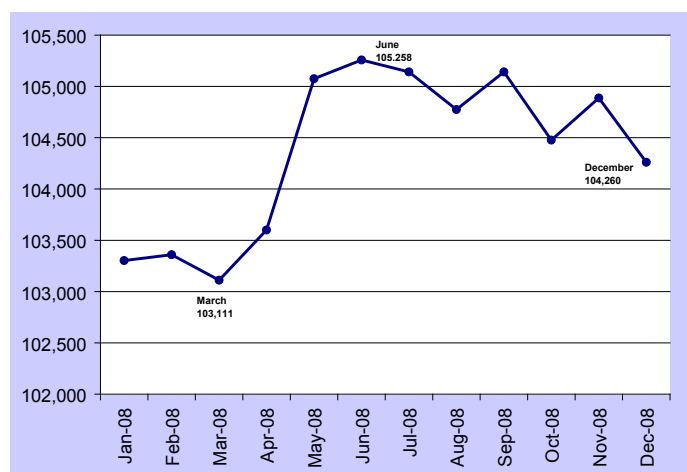
Net enrollment changes

Enrollment

During 2008, approximately 4,200 residents became members of Basic Health per month. In April the new federal income guidelines (FIG) are updated. This changes the income guidelines for Basic Health applicants and members effective July 1. This provides an opportunity for more residents to be eligible for Basic Health. Additionally, we experienced an increase in enrollment during our Open Enrollment in October. During Open Enrollment, members are allowed to change health plans and add new dependents or spouses to their account.



2008 net enrollment changes



2008 Subsidized Enrollment

Disenrollment

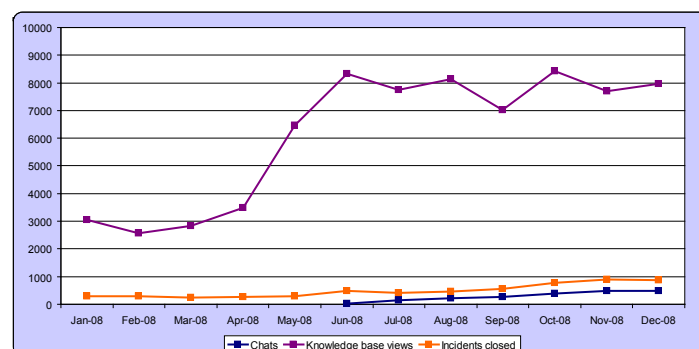
On average, 4,100 members are disenrolled from the program each month. This can result from income changes reflected during the recertification process, non-payment of premiums, or no longer needing health insurance.

"I am deeply grateful for Washington Basic Health. Medical coverage makes all the difference . . . Thank you so much for making it possible for me to afford prescription medication and medical care."
~ Full-time UW graduate student

Program expands customer service by offering online chat feature

Over the summer, Basic Health conducted an online pilot project that allowed applicants and members to use a new feature called Live Chat. During targeted business hours, applicants and members entered Live Chat through the online application section of the Basic Health website to ask enrollment-related questions.

We quickly found this to be an effective communication tool and resource for applicants, sponsors, members, and staff. The first month we saw 140 online chats; by the third month, we had 267. Based on this success, on October 20 we expanded use of this feature to answer questions online throughout the Basic Health website. In less than three weeks we conducted over 300 chats. From June to December, Basic Health averaged approximately 300 chats. The hours of online availability are Monday - Friday, 7 a.m. to 5 p.m. by going to www.basichhealth.hca.wa.gov.



Online Customer Service

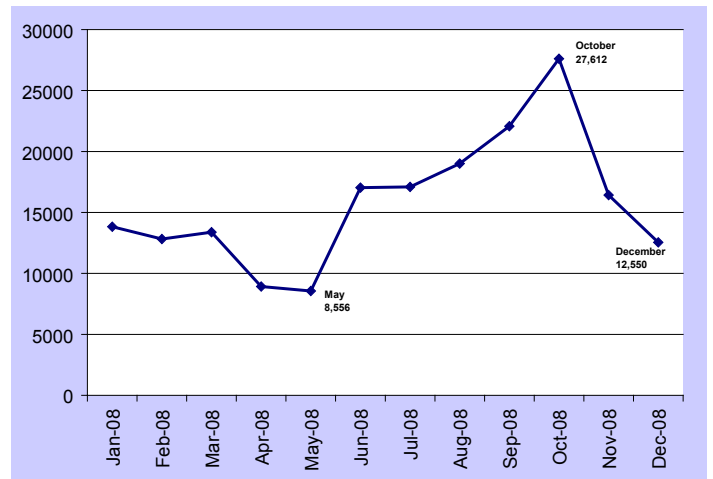
*Knowledge base views are searchable questions and answers. Incidents closed refer to follow-up responses conducted by benefits specialist for chat and knowledge-based questions.

Increased demand for online application materials

Basic Health applications and enrollment offers increased for five consecutive months and the number of application forms downloaded from the agency's website more than tripled in the same period. In May, more than 8,700 online applications were downloaded, compared to more than 27,000 in October.

After the governor announced budget reductions in late fall, we saw a sharp decline for application downloads. By the end of December only 12,550 hits took place for this online document. This could be, in large part, due to the media coverage of our program and increased inability to pay the premiums.

As more businesses issue lay-off notices, employers and employees are contacting Basic Health for information about the program. We received requests for information by various representatives during the fourth quarter of 2008. At the same time, we are experienced slightly higher than normal disenrollment rates.



Web application downloads

Basic Health member said his friend wanted us to know that if not for Basic Health, he would not be here today. In the friend's words, "because someone (Basic Health) cared, he was able to turn his life around and was able to get the care he needed."

4 Program Events

Employment information

In response to the Legislature during 2006, Basic Health began requesting employment-related information from applicants and members, including the name and address of the employer, the hire date, and how many hours are worked each week. The answers to these questions do not affect coverage. Known as 3079, Basic Health submits this required report to the Legislature, in collaboration with Employment Security and DSHS.

JLARC study

The Joint Legislative Audit and Review Committee (JLARC) conducted a State Health Coverage Eligibility study. As part of that study, JLARC conducted a review of eligibility requirements and review processes. As a result of this study, JLARC determined Basic Health maintained compliance with state requirements.

Basic Health enrollment

The 2007 Washington State Legislature established funding levels to increase enrollment in Basic Health. The enrollment target for Basic Health was 106,500 at the end of the 2005-2007 biennium. For the 2007-2009 biennium, the target for the first fiscal year was 107,700 with an increase to 109,500 in the following fiscal year. However, Basic Health took action to manage enrollment but due to funding levels and shifts in population covers only 105,500.

Grassroots outreach efforts

Basic Health enrollment began to drop below our targeted level. As a result, the program initiated a grassroots marketing effort to enroll new members in 2008.

These efforts included:

- ◆ Spreading the word through those who work with low-income families. More than 4,000 DSHS employees with the Economic Services Administration received an e-mail message to clarify program availability.
- ◆ More than 70,000 current Basic Health members in December 2007 received a mailing to “tell a friend” about the program.
- ◆ Attended health fairs, job fairs, and community events.
- ◆ Provided refresher training sessions to community partners and sponsors.
- ◆ Attended or made information available for network of program advocates.

- ◆ Updated application phone line to make it easier to request materials.
- ◆ Called customers with incomplete applications to encourage completion.
- ◆ Partnered with Apple Health for Kids campaign.
- ◆ Partnered with DSHS, Labor & Industries, Employment Security, Prescription Drug Program, and Community Health.
- ◆ Partnered with ParentHelp 123.
- ◆ Responded to employer requests to attend lay-off fairs.

“Thank you so much for the prompt, courteous service. We have approximately 250 people who have been or will be laid off from plant closures this month and next month. They need health care coverage, and Basic Health has worked for other clients in the past, so I like to give them the option of working with Basic Health. thanks for your help.”
~ WorkSource employee

Outreach efforts redesign and simplify materials, and saves money

Starting mid-April, Basic Health worked with a marketing firm to improve the effectiveness of the application process. Revamping the Basic Health application packet was the primary focus of this effort.

With guidance, BH redesigned application materials and developed a marketing campaign. Focus groups were conducted in eastern and western Washington the week of May 19 to test the new materials.

The new, streamlined application packet BH created saved the agency more than \$30,000. The information will be used in a Plain Talk report submitted to the Governor’s office.

- ◆ The packet was simplified and reduced 29% in size.
- ◆ With fewer items per packet, automated assembly replaced manual handling; a savings of about a three day turnaround.
- ◆ Printing costs went from \$.71 each to \$.50 each – \$.21 savings.
- ◆ Automation of new packet went from \$.38 to \$.23 – \$.15 savings per packet or a 39% reduction.

- ◆ Postage costs – went from \$.46 to \$.44 each – a \$.02 savings per packet.
- ◆ Due to low demand and high production and mailing costs, Korean, Russian, and Vietnamese materials will only be available on the Internet for applicants to print themselves.

“After six or seven cancer surgeries, expensive medications, and care for a chronic illness, he knows he wouldn’t be alive without BH coverage.”
~ BH member since 1997

Contact Information:

Preston W. Cody, Assistant Administrator Preston.Cody@hca.wa.gov
Kelly Foster, Deputy Assistant Administrator Kelly.Foster@hca.wa.gov
Alyson Chase, Communications Manager Alyson.Chase@hca.wa.gov
Cindi Fowble, Administrative Assistant..... Cindi.Fowble@hca.wa.gov

Health Care Authority, Basic Health, 676 Woodland Square Loop SE, Olympia, WA 98504
1-800-826-2444 (Non-member), 1-800-660-9840 (Member), or Fax: 360-923-2613
www.basichealth.hca.wa.gov